Poland	48.4	24.2	35.2	107.9	67.2	31.3	47.7	146.2
Russian Fedn.	4.1	2.4	3.8	10.3	6.2	2.7	5.5	14.4
Spain	61.0	31.7	26.1	118.8	54.3	29.5	27.0	110.9
Sweden	79.8	18.0	20.0	117.8	64.5	23.2	20.6	108.3
UK	193.1	47.1	65.5	305.7	194.0	46.6	64.7	305.2
Ukraine	9.9	1.3	2.3	13.4	10.5	0.6	3.1	14.2
Oceania								
Australia	19.6	21.4	4.6	45.7	21.5	22.7	5.3	49.5
New Zealand	102.9	130.9	46.7	280.5	115.1 *	144.44 *	47.0 *	306.6 *

* = Based on the data on arable land and land under permanent crops for 2003-04.

( ) = Fertiliser consumption per hectare of gross cropped area.

Source : Fertilizer Statistics of India 2006-07 (FAI)

Financial Package for FACT

2050.SHRI MAHENDRA MOHAN: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether it is a fact that financial package for revival of Fertilizes and Chemical Travancore Limited (FACT) is under consideration of the Ministry;

(b) if so, since when the package is under consideration and by when it will be announced by Government;

(c) whether Government proposes to establish new fertilizer units in UP; and

(d) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI B.K. HANDIQUE): (a) and (b) A financial relief package by way of one time grant of Rs.200 Crore to FACT has already been approved by Government in February 2008 and the amount has been disbursed to the Company in March, 2008.

(c) and (d) The Government has recently finalized and announced a policy for New Investments in Urea Sector in order to attract new investments in this sector for setting up of gas based urea projects in the country. Further, the Government has already decided to accord highest priority in allocation of gas for the fertilizer sector. It is expected that the prospective investors will take their own commercial decision for investments in urea sector and location of such projects, based on the above announced policy and the availability of natural gas.

New investment policy in the fertilizer sector

2051.SHRI DARA SINGH: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether Government is contemplating to formulate a new investment policy in fertilizer sector;

(b) if so, the salient features thereof;

(c) the extent to which the aforesaid policy is likely to bridge the gap between consumption and domestic production; and

(d) the time by when the new policy is likely to be implemented?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI B.K. HANDIQUE): (a) to (d) The Government has already finalized and announced a policy for New Investments in Urea sector on 4th September 2008. The New Investment Policy aims at increase in indigenous production capacity through revamp, expansion, revival of existing urea units and setting up of Greenfield projects. The policy is likely to substantially bridge the gap in next five years between the consumption and indigenous production of urea subject to confirmed and adequate availability of gas at reasonable prices for the fertilizer sector. The salient features of the new investment policy are as under:-

1. The policy is based on Import Parity Price (IPP) benchmark with floor and ceiling price of USD 250 PMT and USD 425 PMT respectively.

2. **Revamp project**: Any improvement in capacity of existing plants through investment upto Rs. 1000 crore, in the existing train of ammonia-urea production will be treated as revamp of existing units. The additional urea from the revamp of existing units will be recognized at 85% of Import Parity Price with the floor and ceiling price as indicated above.

3. **Expansion projects**: Setting up of a new ammonia-urea plant (a separate new ammonia-urea train) in the premises of the existing fertilizer plants, utilizing some of the common utilities will qualify for being treated as expansion project. The investment should exceed a minimum limit of Rs.3000 crore. The urea from the expansion of existing units will be recognized at 90% of IPP, with the floor and ceiling price as indicated above.

4. **Revival/Brownfield projects**: The urea from the revived units of Hindustan Fertilizer Corporation Limited (HFCL) and Fertilizer Corporation of India Limited (FCIL) will be recognized at 95% of IPP with prescribed floor & ceiling price, if the revival of closed units takes placed in public sector.

5. **Greenfield projects**: The pricing of Greenfield projects will be decided based on a bidding process which will be for a discount over IPP, after firming up of the location (States) of the proposed new plants.

6. **Gas transportation charges**: An additional gas transportation cost will be paid to units undertaking expansion and revival on the basis of actuals (upto 5.2 Gcal per MT of urea) as decided by the Regulator(Gas) subject to a maximum ceiling of USD 25 per MT of urea.

7. **Allocation of Gas**: Only non-APM gas will be considered for the new investment in urea sector.

8. Coal gasification based Urea Projects: The Coal gasification based urea projects will also be treated on par with a revival or a Greenfield project as the case may be. In addition, any other

incentives or tax benefits as provided by Government for encouraging coal gasification technology will also be extended to these projects.

9. **Joint Ventures abroad**: The Joint Venture projects abroad in gas rich countries are also proposed to be encouraged through firm offtake contracts with pricing decided on the basis of prevailing market conditions and in mutual consultation with the joint venture company. However, the principle for deciding upon the maximum price will be the price achieved under Greenfield projects or 95% of IPP as proposed for revival projects (in absence of any Greenfield projects) with a cap of USD 405 CIF India per MT and a floor of USD 225 CIF India per MT (inclusive of handling and bagging costs).

10. **Time period for proposed investment policy**: Only those revamp projects which start production of additional capacities within four years of notification of the new policy would qualify for the dispensation recommended above. Similarly production from expansion and revival (brownfield) units that come about within five years of notification of the new policy would qualify for dispensation provided in the policy. If the production does not come through within the stipulated time period, such brownfield projects will be treated similar to a Greenfield projects wherein price will be decided through limited bidding options. The time period for setting up of new Joint Ventures would also be five years under the new investment policy.

Availability of Chemical Fertilizers

2052.SHRI A. VIJAYARAGHAVAN: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether the Competent Authority is aware of the shortage of Phosphate fertilizers *viz.*, Factomfos in Kerala especially during the Kharif season, 2008;

(b) if so, the action taken in details including the estimated requirement and the available amount of Factomfos for the last two years, month-wise, and category-wise;

(c) the reasons, for the shortage in details; and

(d) the steps taken to provide the required amount of Factomfos in the forthcoming cropping seasons, in detail?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI B.K. HANDIQUE): (a) to (d) Urea is the only fertilizer which is under partial movement and distribution control of the Government. Union Government ensures availability of urea at State level. State Governments are responsible for its distribution within the State. All other fertilizers like DAP, MOP, SSP and NPK etc. are decontrolled / de-canalized since 1992. The monthly supply plans for decontrolled fertilizers are drawn by manufacturers / importers of these fertilizers in consultation with the State Government. Therefore, the availability of Phosphatic and Potassic fertilizers is decided by the market forces of demand and supply.